

Declaration of the Management Body of UniCredit Tiriac Bank on the overall risk profile associated with the business strategy of the Bank

Developing a strong risk management culture is one of the main strategic objectives of UniCredit Tiriac Bank (hereinafter called the "Bank"). Risk management culture is promoted both at the lines directly responsible for with risk management, and within the operational structures of the institution.

Risk management includes determining, for all activities performed, and for each significant activity, **risk tolerance**, by ensuring business continuity on sound and prudent basis. Setting target risk profile is made annually, considering market conditions and macroeconomic, past performance (historical) and UniCredit Tiriac Bank strategy in the immediately timeframe following (12 months). The respective risk profile is expressed as a goal to be achieved considering the past performance (historical) and the Bank's strategy in the next timeframe (12 months). In 2013, UniCredit Tiriac Bank **assumed a Moderate / Medium risk profile**.

In order to meet the strategic objectives regarding the Bank's risk appetite and to ensure compliance with the overall risk profile target, the limits of the risk appetite have been translated into operational risk profile limits on the distribution of the loan portfolio by zones / geographical areas, sectors of activity, counterparty categories, type of products, residence, country and currency.

These risk profile limits have been monitored periodically during the year 2013, the bank fitting each time the assumed risk profile.

For example we present the following key indicators, as of 31.12.2013:

Capital Adequacy

- Core Tier 1 ratio (Tier 1/RWA) 13,3%
- Total capital ratio (*Own funds/RWA*) 13,3%
- Leverage ratio (*Assets - Intangible*) / (*Shareholders Equity - Intangibles*)
10,12
- Risk Taking Capacity (*AFR/IC*)
259%

Profitability & Risk

- **Loss Absorption Capacity– Risk Charges (RON th)**
18.443 TRON

Financing & Liquidity

- **Cash Horizon** (*Cash in > Cash out during 90 days Horizon*) Compliant
- Structural ratio > 1Y 117%